

1 Kate Mueting, DC Bar No. 988177*
2 Dacey Romberg, DC Bar No. 90003767*
3 Samone Ijoma, MD Bar No. 2012170086*
4 **SANFORD HEISLER SHARP, LLP**
5 700 Pennsylvania Avenue SE, Suite 300
6 Washington, DC 20003
7 Telephone: (202) 499-5206
8 kmueting@sanfordheisler.com
9 dromberg@sanfordheisler.com
10 sijoma@sanfordheisler.com

11 Charles Field, SBN 189817
12 **SANFORD HEISLER SHARP, LLP**
13 7911 Herschel Avenue, Suite 300
14 La Jolla, CA 92037
15 Telephone: (619) 577-4252
16 cfield@sanfordheisler.com

17 Kristi Stahnke McGregor, GA Bar No. 674012*
18 **SANFORD HEISLER SHARP, LLP**
19 611 Commerce Street, Suite 3100
20 Nashville, TN 37203
21 Telephone: (615) 434-7008
22 kmcgregor@sanfordheisler.com

23 Christopher Owens, MD Bar No. 220280004*
24 **SANFORD HEISLER SHARP, LLP**
25 111 S. Calvert Street, Suite 1950
26 Baltimore, Maryland 21202
27 Telephone: (410) 834-7422
28 cowens@sanfordheisler.com

*Attorneys for Plaintiffs
and the Potential Class*

* admitted *pro hac vice*

Case No. 3:23-cv-03461-TLT-RMI

**ADMINISTRATIVE MOTION FOR ORDER REQUIRING DEFENDANTS TO FILE A
CERTIFICATION OF CONFLICTS AND INTERESTED ENTITIES OR PERSONS IN
COMPLIANCE WITH LOCAL RULE 3-15**

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8 **UNITED STATES DISTRICT COURT**
9 **DISTRICT OF NORTHERN CALIFORNIA**
10 **SAN FRANCISCO DIVISION**

11 COURTNEY MCMILLIAN and RONALD
12 COOPER, on behalf of themselves and all others
similarly situated,

13 Plaintiffs,

14 v.
15

16 X CORP., f/k/a/ TWITTER, INC.,
17 X HOLDINGS, ELON MUSK, DOES,

18 Defendants.
19

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WITH LOCAL RULE 3-15**

Judge: Trina L. Thompson
Magistrate Judge: Robert M. Illman

20 Pursuant to Civil Local Rule 7-11, Plaintiffs request that the Court order Defendants to file
21 a Corporate Disclosure and Certification of Conflicts and Interested Entities or Persons
22 (“Certification”) that complies with Civil Local Rule 3-15 by identifying the owners of Defendant
23 X Holdings Corp.
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I. BACKGROUND

On March 7, 2024, Defendants filed their “Rule 7.1 Corporate Disclosure Statement and Civil L.R. 3-15 Certification of Conflicts and Interested Entities or Persons.” Dkt. 55. The Certification attests that Defendant X Corp. is wholly owned by Defendant X Holdings Corp. and that no publicly held corporation owns 10% or more of X Corp.’s stock. *Id.* Defendants failed to disclose who owns Defendant X Holdings Corp. *See Id.*

On April 25, 2024, Plaintiffs’ counsel informed Defendants’ counsel that the Certification was insufficient because it failed to identify the owners of X Holdings Corp. Decl. of Dacey Romberg, ¶ 2. Defendants’ counsel refused to file a compliant certification. *Id.* at ¶ 4. Plaintiffs’ counsel provided Defendants’ counsel with an order from *Anoke v. Twitter*, No. 23-2217, Dkt. 35 (N.D. Cal. June 6, 2023) (attached as Exhibit A), requiring Twitter defendants to identify the owners of X Holdings Corp. to comply with Local Rule 3-15. *Id.* at ¶ 5. Plaintiffs’ counsel followed up on May 1 and May 6, but Defendants’ counsel did not respond. *Id.*

II. ARGUMENT

Rule 3-15 states that a party’s disclosure “must . . . disclose any persons . . . known by the party to have . . . a financial interest of any kind in the subject matter in controversy or in a party to the proceeding.” Civil L.R. 3-15(b)(2). Subsection (b)(3) explains that “financial interest” has the meaning assigned by 28 U.S.C. § 455(d)(4), which provides, “‘financial interest’ means ownership of a legal or equitable interest, however small.”

X Holdings Corp. is a Defendant,¹ so its owners have a financial interest “in a party to the proceeding.” Civ. L.R. 3-15(b)(2). Therefore, Rule 3-15(b)(2) requires that their identities be

¹ Although the caption of the Amended Complaint lists “X Holdings” instead of “X Holdings Corp.” as a defendant, Defendants have acknowledged in numerous court filings that X Holdings Corp. is a defendant in this matter. *See* Dkt. 56, 61, 61-2, 71, 73, 74, 78, 79, and 82-1 (identifying Case No. 3:23-cv-03461-TLT-RMI

disclosed. The court in *Anoke v. Twitter*, another case against X Corp. and X Holdings Corp., held that the owners of X Holdings Corp. must be disclosed. Order Granting Plaintiffs' Ad. Mt. Directing Def's to Supplement Corporate Disclosure Statement, No. 23-cv-02217-SI, Dkt. 35 (N.D. Cal. June 6, 2023).

Furthermore, Defendants would be required to disclose the owners of X Holdings Corp. even if it was not a defendant. Rule 3-15 is broad and requires the disclosure of any person with "a financial interest of *any kind* in the subject matter in controversy," Civil L.R. 3-15(b)(2) (emphasis added). Plaintiffs allege that X Holding Corp.'s subsidiary, X Corp., owes former employees hundreds of millions of dollars in severance benefits, and thus owners of X Corp.'s parent company have a financial interest in this litigation. Indeed, in *Global Data Strategy, Ltd. v. Twitter, Inc. and X Corp., Inc.*, Defendants Twitter and X Corp. included the owners of X Holdings Corp. in their corporate disclosure upon request from plaintiffs' counsel, even though X Holding Corp. was not a defendant. Unopposed Ad. Mt. to File Under Seal, No. 3:23-cv-02266-EMC, Dkt. 19 (N.D. Cal. June 26, 2023) (Attached as Exhibit B).

Because the requirements of Rule 3-15 are "mandatory," *Anoke* is not the only time the Northern District of California has ordered the filing of a second, compliant certification where the first was deficient. *See Stewart v. Screen Gems-EMI Music, Inc.*, No. 14-cv-04805-JSC, 2015 WL 13648928, at *2 (N.D. Cal. Jan. 13, 2015) (ordering defendants to file a second disclosure

X Holdings Corp. as Defendant); Dkt. 61-1 (Declaration of Jared Killeen identifying himself as counsel for Defendant X Holdings Corp); Dkt. 82-2 (Declaration of Melissa Hill identifying herself as counsel for Defendant X Corp. Holdings). *See Tiffany v. Hometown Buffett, Inc.*, No. C 06-2524 SBA, 2006 WL 1749557, at *7 (N.D. Cal. June 22, 2006) (citing *Mayberry v. Coca Cola Bottling Co. of Sacramento*, 244 Cal.App.2d 350, 353 (Cal. Ct. App. 1966) (noting that a minor error in the corporate designation of a defendant is "an excusable mistake," not a "change of identities")) and *Prince v. Jensen Motors, Inc.*, 139 Cal.App.3d 653, 655 (Cal. Ct. App. 1983) (explaining that plaintiffs naming Jensen Motors, Ltd. rather than Jensen Motors, Inc. was "an excusable mistake").

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1 identifying defendants' parent corporations and any other entity with a financial interest in
2 defendants). Here, Plaintiffs seek only "to require Defendants to comply with the same Rules with
3 which every litigant that appears in the Northern District of California has to comply." *Id.*

4 **III. CONCLUSION**

5 Because Defendants' Certification does not comply with Local Rule 3-15, Plaintiffs
6 respectfully request that the Court order Defendants to file a Certification of Conflicts and
7 Interested Entities or Persons that lists the identities of owners of X Holdings Corp.
8

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10 DATED: May 6, 2024

Respectfully submitted,

Sanford Heisler Sharp, LLP

11
12 By: /s/ Kate Muetting

Kate Muetting, DC Bar No. 988177

(admitted *pro hac vice*)

13 **SANFORD HEISLER SHARP, LLP**

14 700 Pennsylvania Avenue SE, Suite 300
15 Washington, DC 20003

16 Telephone: (202) 499-5206

kmuetting@sanfordheisler.com

17 *Attorney for Plaintiffs*

18 *and the Potential Class*

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CERTIFICATE OF SERVICE

I hereby certify that on May 6, 2024, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send a copy of this filing to all counsel of record.

Mark A. Feller
Melissa D. Hill
Jared R. Killeen
Sara DeStefano
Sean K. McMahan
MORGAN, LEWIS & BOCKIUS LLP
mark.feller@morganlewis.com
melissa.hill@morganlewis.com
jared.killeen@morganlewis.com
sara.destefano@morganlewis.com
sean.mcmahan@morganlewis.com

*Attorneys for Defendants X Corp.,
X Holdings Corp., and Elon Musk*

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

DATED: May 6, 2024

By: /s/ Kate Muetting
Kate Muetting, DC Bar No. 988177
(admitted *pro hac vice*)
SANFORD HEISLER SHARP, LLP
700 Pennsylvania Avenue SE, Suite 300
Washington, DC 20003
Telephone: (202) 499-5206
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